

Please file and record the documents previously enumerated and index them under the names set forth above. Since the documents relate to the same transaction, it is requested that all be assigned the same recordation number with consecutive

Ms. Noreta McGee  
October 11, 1988  
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letter designation for each document after the first listed above.

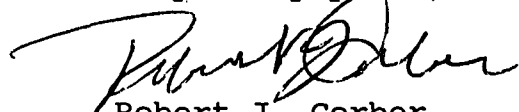
A fee of \$26.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the person presenting this letter.

A short summary of each document to appear in the index follows:

1. Lease Agreement dated as of May 15, 1979 between BRAE Corporation and Ashley, Drew & Northern Railway Company covering railcars marked ADN 4100 through 4199, ADN 5300 through 5499 and ADN 9700 through 9899.

2. Indemnification and Amendment Agreement dated as of January 10, 1980 between BRAE Corporation and Ashley, Drew & Northern Railway Company covering railcars in Lease Agreement.

Very truly yours,



Robert J. Corber  
Attorney for BRAE  
Corporation

Enclosures as stated

COPY

THIS INDEMNIFICATION AND AMENDMENT AGREEMENT, dated as of January 10, 1980 ("Agreement"), by and between BRAE Corporation ("BRAE") and ASHLEY, DREW & NORTHERN RAILWAY COMPANY ("AD&N").

1-5866-A

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INTERSTATE COMMERCE COMMISSION

WITNESSETH:

WHEREAS, BRAE and AD&N have entered into a Lease Agreement dated as of May 15, 1979 (the "Lease"), pursuant to which certain railcars as described in Equipment Schedule No. 1 to the Lease (the "Cars") have been leased to the AD&N;

WHEREAS, (BRAE and AD&N) now desire to amend and modify the Lease as hereinafter set forth; and

WHEREAS, AD&N has assigned to BRAE its rights to purchase the Cars from Thrall Car Manufacturing Company ("Thrall"), which Cars shall be leased by BRAE to AD&N under the Lease;

NOW, THEREFORE, in consideration of the premises hereinafter set forth and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. BRAE shall be responsible for the payment to Thrall for the entire purchase price of the Cars as referenced in Equipment Schedule No. 1 contained in the above referenced Lease, and BRAE does agree to indemnify and hold AD&N harmless for any payments that AD&N is required to make to Thrall Car Manufacturing Company in connection with AD&N Purchase Order No. 00481, a copy of which is attached hereto.

2. In the event that the railcar assignment(s) pursuant to which the Cars have been assigned to designated shippers by certain originating carriers are terminated during the term of the Lease, the provisions of Sections 5C, 5D and all of Section 6 to the Lease will not apply to the Cars described in Equipment Schedule No. 1 to the Lease and the following Sections shall be substituted to apply only to those Cars described in said Equipment Schedule No. 1 to the Lease, effective as of the date the above referenced railcar assignment(s) are terminated:

5. Maintenance, Taxes and Insurance

C. Lessee will at all times while this Agreement is in effect be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules-Freight for Cars not owned by Lessee on Lessee's railroad tracks. Lessee shall protect against the consequences of an event of loss involving the Cars while on Lessee's railroad tracks, by either obtaining insurance or

maintaining self-insurance program which conforms to sound actuarial principles. If Lessee elects to carry insurance, it shall furnish BRAE concurrently with the execution hereof, and thereafter at intervals of not more than 12 calendar months with a certificate of insurance with respect to the insurance carried on the Cars signed by an independent insurance broker. All insurance shall be taken out in the name of Lessee and BRAE (or its assignee) as their interests may appear.

D. BRAE agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Car and on the Lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the Lease term, except taxes on income imposed on Lessee. BRAE shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. BRAE and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Cars. BRAE shall review all applicable tax returns prior to filing, it being understood that such review will be made in a prompt fashion in order to prevent late filings and charges.

E. BRAE will at all times while this Agreement is in effect and at its own expense, cause to be carried and maintained, liability insurance in an amount and coverage satisfactory to Lessee. Such insurance shall be taken out in the name of BRAE and Lessee as their interests may appear. The policies or certificates shall provide that there shall be no recourse against Lessee for the payment of premiums, and shall provide for at least ten (10) business days' prior written notice to be given to Lessee by the underwriters in the event of cancellation or changes in amounts or coverages. If BRAE shall default in the payment of any premium in respect of any such insurance policies, Lessee may, but shall not be obligated to, pay such premium, and deduct the amount of such premium or premiums from the Rental Charges.

#### 6. Lease Rental

AD&N agrees to pay rental charges as full payment for the use of the Cars and BRAE's performance hereunder, a monthly Lease rate equal to 1.3% of total cost of the Cars as registered in the Universal Machine Language Equipment Register (UMLER) of the Association of American Railroads (AAR).

3. The provisions of these substituted Sections 5C, 5D, 5E and 6 shall continue in effect until the occurrence of one of the following events:

A. BRAE remarkets the Cars to a subsequent lessee, subject to the approval of AD&N.

B. AD&N obtains substitute assignments for all the Cars.

C. The expiration of a five (5) year period commencing upon the delivery date of the last Car leased hereunder.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN FRANCISCO )

On this 1st day of February, 1984, before me personally appeared William S. Tucker, to me personally known, who, being by me duly sworn says that he is the President of BRAE Corporation, and that the foregoing Amendment Agreement was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.

[seal]

Minella R. Abbo  
Notary Public

My Commission Expires: 2/25/83

~~STATE OF CALIFORNIA~~  
ARKANSAS  
COUNTY OF ASHLEY )  
 ) ss.  
 )

On this 11th day of January, 1980, before me personally appeared S.R. Teddel, to me personally known, who, being by me duly sworn says that he is the President of ADEN Railway Co. and that the foregoing Amendment Agreement was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.

[seal]

Cora Sue Hill  
Notary Public

My Commission Expires: 1-20-81

4. AD&N shall be responsible under substituted Sections 5C, 5D, 5E and 6 only for those Cars which are not remarketed per subparagraph 3A above or not placed in substitute assignment per subparagraph 3B above.

5. In the event substituted Sections 5C, 5D, 5E and 6 become effective, and notwithstanding the provisions of Subsection 13A of the Lease, AD&N may, at its sole option, sublease the Cars to its parent or a wholly-owned subsidiary or affiliate company wholly-owned by the parent and change the AAR reporting marks accordingly.

6. A. During the initial five years of the Lease term in which the assignment(s) mentioned in Paragraph 2 remains in effect, Lessee agrees to pay to BRAE Reclaim Charges pursuant to Rule 22 for such periods as the Cars are idle and not being loaded while located at shipper locations on the assigned railroad line. Such Reclaim Charges shall be limited to an amount which will guarantee that the Utilization of the Cars, as defined in Section 6 of the Lease, shall not be less than 93%.

B. During the remaining ten years of the Lease term, in the event a fraction, the numerator of which is the aggregate number of days that per diem is earned on the Cars in the immediately preceding four (4) calendar quarters commencing with the first full four (4) calendar quarters after receipt of the last Car on Equipment Schedule No. 1 to the Lease, and the denominator of which is the aggregate number of days that the Cars were available to the Lessee during such period less the aggregate number of days the Cars were out of service on foreign railroads not earning car hire revenues for any reason, is less than 93.0 per cent, BRAE may, at its option and upon not less than thirty (30) days prior written notice to Lessee, terminate this Agreement with respect to only those Cars listed in Equipment Schedule No. 1 to the Lease; provided, however, that prior to such termination Lessee may have the option of paying BRAE an amount equal to the difference between the amount BRAE actually received during said four (4) calendar quarters and the amount BRAE would have received had a utilization rate for the Cars of 93.0 percent been achieved.

7. Except as otherwise provided herein, the Lease shall remain in full force and effect in accordance with the terms and conditions set forth therein.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute this Agreement as of the date first above written.

BRAE CORPORATION

By

Title

Date

ASHLEY, DREW & NORTHERN RAILWAY

*DR Tedder*

President

January 11, 1980